

**City of Knobel, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF KNOBEL, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas



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**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Knobel, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Knobel, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated September 7, 2022. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2021:

Mayor: Stanley Ashby  
Recorder/Treasurer: Connie Stormes (resigned January 15, 2021)  
Marcia Woodhouse (appointed February 2, 2021)  
Fire Chief: Leonard Nees

We evaluated the City's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the office of **Recorder/Treasurer**.

#### **Recorder/Treasurer**

The City's accounts were under collateralized by \$397,302 (61% of total deposits) at December 31, 2021, in noncompliance with Ark. Code Ann. § 19-8-107.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Roger A. Norman in cursive.

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
September 7, 2022  
LOM221521

CITY OF KNOBEL, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 385,784	\$ 152,647
Receipts:		
State aid	41,752	20,846
Federal aid		27,037
Property taxes	11,532	3,460
Franchise fees	7,869	
Interest	473	162
Donations		4,377
Sale of equipment		3,500
Other	715	
Total Receipts	62,341	59,382
Disbursements:		
General government	15,714	
Highways and streets		10,524
Public safety		1,640
Debt service	9,546	
Total Disbursements	25,260	12,164
Cash Balance, December 31, 2021	\$ 422,865	\$ 199,865

CITY OF KNOBEL, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Arkansas Department of Environmental Quality Grant	Disaster	Emergency	Community Center	Volunteer Fire Department	Lift Station	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 49,412	\$ 12,363	\$ 498	\$ 25,048	\$ 4,739	\$ 2,690	\$ 39,096	\$ 18,801		\$ 152,647
Receipts:										
State aid	20,846									20,846
Federal aid									\$ 27,037	27,037
Property taxes	3,460									3,460
Interest	38	15		30	6	4	47	22		162
Donations							4,377			4,377
Sale of equipment							3,500			3,500
Total Receipts	<u>24,344</u>	<u>15</u>		<u>30</u>	<u>6</u>	<u>4</u>	<u>7,924</u>	<u>22</u>	<u>27,037</u>	<u>59,382</u>
Disbursements:										
Highways and streets	10,524									10,524
Public safety							1,640			1,640
Total Disbursements	<u>10,524</u>						<u>1,640</u>			<u>12,164</u>
Cash Balance, December 31, 2021	<u>\$ 63,232</u>	<u>\$ 12,378</u>	<u>\$ 498</u>	<u>\$ 25,078</u>	<u>\$ 4,745</u>	<u>\$ 2,694</u>	<u>\$ 45,380</u>	<u>\$ 18,823</u>	<u>\$ 27,037</u>	<u>\$ 199,865</u>

CITY OF KNOBEL, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
     General, Community Center, and Community Center Supply
3. The Municipality's capital assets records are summarized below:

	December 31, 2021
Land	\$ 30,500
Buildings	289,133
Equipment	218,843
Total	\$ 538,476

4. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2021
USDA Rural Development Building Loan	\$ 33,140

5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 27,037